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SUBJECT: GLOBAL ECONOMY; FINANCIAL CRISES

Financial War

Editorial in liberal Folha de S. Paulo (10/08) says: "The news on the financial crisis evokes a scenario of a world war, with several fronts spread all over the planet- from Australia to Brazil, from China to Russia, from Germany to the United States..., The multiple combatants, however, show themselves weak and dysfunctional facing a threat that does not respect borders - or even worse, it gains force when there is a lack of a coordinated action to attack it. Discredit in the financial system is global, but the approaches to face it are national, limited and heterogeneous... It would be a waste that one of the most powerful tools of the Fed, the reduction of short term interests, were used without articulation with other countries that are going through the same situation, something that already causes despair. A worldwide and synchronized decrease in the cost of loans would increase the chances that the collapse would be at least staunched. At this moment, the news that the crisis had reached its limit would already be good news."  
White